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THE JAPANESE ELECTIONS: THIRTY MORE YEARS?

Summary

The ruling Liberal Democratic Party celebrated its thirtieth anniversary by scoring one of its most impressive victories at the polls July 6, winning 300 of the influential lower house's 512 seats. With the addition of several independents, the LDP commands a 304-seat majority in the lower house, its strongest position in the postwar era.

Senior LDP leaders, especially Prime Minister Yasuhiro Nakasone, are now jockeying to utilize that power to further personal and party political agendas. Japan's allies, particularly the United States, apparently feel that the way has been cleared for prompt resolution of outstanding trade issues as well. Yet the large margin of victory in some respects will complicate rather than alleviate political pressures in Japan. For although the LDP has managed to reduce the influence of opposition parties, powerful factions within the party -- the more important element in domestic politics -- remain, posing considerable problems for the prime minister and his supporters.

The Double Election

Although last-minute election surveys pointed to the potential for an election landslide, most political observers in Japan did not anticipate the overwhelming LDP victory in July's double elections. Indeed, before the campaign, Mr. Nakasone said that a simple majority of 256 seats in the lower house would constitute a victory. Since he was pinning his hopes of a third

term as party president on a favorable performance, his rivals tried to pressure the incumbent by suggesting that anything less than a 270-plus seat victory would be disaster for the party and would warrant Mr. Nakasone's resignation.

Were they surprised! Voters gave the LDP a commanding 300-seat majority in the lower house and 140 of 250 seats in the upper house, the less important of the two -- confirming the prime minister's decision to encourage a high turnout by calling the double elections. High voter turnout traditionally benefits the LDP by bringing marginal party supporters to the ballot boxes. Although voter turnout was not as high as in some elections, it nevertheless exceeded 70 percent, an increase -- especially of independents and less consistent LDP voters -- that was critical to victory.

In 1983's disastrous elections, the LDP received 45.8 percent of the votes cast, reducing the party's representation in the lower house from 286 to 250. In the most recent balloting, the LDP took only 49.5 percent of the vote, but the extra 3.7 percentage points coupled with efficient distribution of party endorsements resulted in a gain of 50 seats. Increased support among independent voters may have been particularly significant, jumping from 1983's level of 48 percent to 60 percent in the July balloting. Significantly, the LDP gain came primarily at the expense of the Japan Socialist Party.

This suggests several factors that moderate the dimensions of the LDP's victory. First, although no single opposition party was able to muster impressive numbers at the polls, it is nevertheless statistically true that the LDP was unable to gather a majority of voters in the lower house balloting. The addition of so many seats on the basis of such a marginal increase in voter support makes it clear that the party's strength is still dependent on gerrymandered, multi-member election districts. Rural areas -- the source of much of the LDP's strength -- remain disproportionately represented vis-a-vis urban centers. While there are indications that the LDP may be picking up some urban seats and benefiting from favorable political demographic changes, the party remains tied to the rural and semi-rural areas for support.

Equally important is the fact that the LDP was far better prepared for the election and distributed its resources more efficiently than the opposition parties. In reconstructing the process, it will be rememberd that one of the final actions taken in the last regular Diet session was approval of an electoral reform bill that shifted a handful of seats from over-represented rural districts to under-represented urban areas. The bill also prohibited lower house elections within 30 days of enactment, a provision considered essential to secure passage. Many observers felt at the time that this rider would prevent the prime minister from holding double elections in June, a contingency for which the ruling and opposition parties had been preparing. While the opposition may have been misled on this point, the LDP was not. Election preparations that had been put in motion in April continued at a rapid pace, so that the party was in a favorable position when the prime minister made his move: he convened a special session of the Diet, subsequently dissolved it and set the stage for double elections at a slightly later date than originally anticipated.

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The maneuver was blasted by the opposition parties, which may have been caught unprepared for the balloting. The largest opposition group, the Japan Socialist Party, has been in transition from a doctrinaire socialism to a more moderate stance -- a process that has generated considerable strife within the party. The JSP would have preferred more time to reach a satisfactory consensus and repair its fragile unity. It was certainly at a disadvantage having to face the voters in its weakened state.

Other minor opposition parties promised to form a united front in certain election districts, but cross-party cooperation was virtually nonexistent -- a sharp contrast with the LDP's well-disciplined image of a party with 30 years of leadership. Thus, while popular support for opposition parties collectively remains high, no single party has been able to present a coherent, credible alternative to LDP leadership and back it up with sufficient resources to assure concrete gains in Diet seats. This is especially critical for the JSP, a big loser July 6.

The LDP's command of the situation was demonstrated by the fact that officially endorsed candidates won 94 percent of their races. Despite the objections of certain factions, the LDP endorsed only 320 candidates -- far lower than the number fielded in 1983 -- so as not to dilute party votes in multi-member districts. The party felt its loss of 50 seats then was attributable in part to the large number of endorsed candidates. The LDP won more than 200 seats in its "safe" districts and added another 90 or so in the more heavily contested areas.

The timing was also favorable for the LDP. The lower house was not due to be dissolved until December 1987. However, several factors favored holding elections immediately. The first was that party coffers were brimming from two years of heavy contributions, while the opposition parties were not so financially fortunate. Second, the popularity of the prime minister and the cabinet as a whole was incredibly high. The prime minister registered support levels in excess of 50 percent, according to most major polls. (In recent years, the prime minister's support among the electorate has fallen below 20 percent within a year.) Cabinet approval ratings were similarly high and steady -- around 40-plus percent going into the elections. By taking advantage of these support levels now, election proponents argued, they had a prime opportunity to strengthen the LDP's hold on the government. To the chagrin of the prime minister's opponents, this plan fit perfectly into Mr. Nakasone's grand strategy to secure a virtual public mandate for continued leadership, but it also served the needs of the party.

What final impetus was needed appeared in the form of weak economic forecasts. Moreover, conditions threatened to worsen in the fall and many officials felt it would be better to go to the polls before that came to pass than waiting until the country was caught in the middle of a full-fledged recession. Political analysts say that in times of uncertainty, Japanese voters will go with a proven commodity rather than experiment with unknowns; obviously, that means the LDP.

Election Impact: Policies

Prime Minister Nakasone was jubilant when the election results were in. In 1983 the balloting was held against his personal wishes but in keeping with

the desires of former prime minister and Nakasone-supporter Kakuei Tanaka. Yet Mr. Nakasone was held personally accountable for the horrendous results, and political pundits generally agreed that his short career was at an end. Repeated maneuvering, however, enabled him not only to retain power but also to set the stage for a possible third term as party president, currently prohibited by LDP rules. His complex scenario for achieving a third term included getting his legislative agenda through the lower house -- despite the LDP's very tenuous hold on the chamber, hosting the economic summit in Tokyo and holding double elections that would return the party to undisputed power.

For a while, it all seemed like pie in the sky. The Diet proved reluctant to tackle many controversial issues, particularly in the later stages of the regular session. The summit had to be written off as a personal disaster for the host. And chances for holding double elections appeared to be preempted by the electoral reform bill's restriction on election dates. Political polls, while reflecting continued high public support for Mr. Nakasone, also suggested the appearance of chinks in his personal armor. The economy was beginning to feel the effects of the strengthened yen and economic forecasts were revised downward, making many LDP members fearful of facing the voters. Finally, encouraged by the negative turn of events for the incumbent, Mr. Nakasone's rivals had come out in the open in their efforts to wrestle control of the party presidency from his hands.

The picture was different after the votes were counted. Mr. Nakasone, who had made the election a referendum on his policies and leadership style, called the results "a voice of the gods." Since Mr. Nakasone had insisted that the election was a reflection of his leadership, the implication was that the voters favored his remaining in office and supported his policies, including such issues as administrative reform, and stylistic elements, like his controversial visits to the Yasukuni Shrine for Japan's war dead. Editorial writers, particularly those opposed to the Nakasone policies, warned the LDP and the premier against growing arrogant as a result of the election. Some went so far as to suggest that Japan could return to its pre-war nationalism if Mr. Nakasone misread the voters' mood and interpreted the election results as a carte blanche endorsement of his leadership.

Yet the LDP and Mr. Nakasone are clearly in a superior position to pursue their policies and personal ambitions. With the opposition parties reduced to a minor consideration in Diet wheeling and dealing, the LDP should be able to move ahead in areas where it has been stalled. This includes privatization of the Japanese National Railways; approval of emergency measures that would reduce or eliminate impediments to the mobilization of the Self-Defense Forces in the event of national emergencies; and enactment of controversial anti-espionage legislation -- a high priority item in certain LDP and government circles that has been held up because of opposition party objections.

The general pro-defense stand of the government is certain to continue, although it is not necessarily contingent on Mr. Nakasone's remaining in office. Bureaucratic momentum generally favors the present course on defense. For example, giving the Japan Defense Agency's five-year plans the status of official government programs (instead of planning documents) has lent considerable weight to present policies. Nevertheless, it is likely that the pace

would be accelerated under a Nakasone government, while his potential successors might favor other goals -- a tighter budget at the expense of increased defense spending or increased aid, for example. With Japan's economic growth slowing, there is a high probability that the one percent debate will grow hotter in the near future. Of all those in line for power, Mr. Nakasone would be the most likely to use the opportunity to break that longstanding barrier and discard the policy altogether. Still, it would be unwise to suggest that the election results are a blanket endorsement of the Nakasone defense policies, any more than to assume that 1983's losses reflected a negative judgment.

Still, there is a widespread assumption in the United States that the "Nakasone victory" will result in a prompt and -- from the U.S. perspective -- favorable response on proposals that Japan participate in the Strategic Defense Initiative. Indeed, the prime minister can be expected to push for a positive response, but the political horsetrading that will occur in the coming weeks will further delay a decision that already has been postponed several times due to both political and policy considerations. The SDI issue is highly controversial in Japan, and doubters of the program abound in the government. Siding with SDI has considerable implications for Japan's security policies. Although the odds are still in favor of Japanese participation in some form, a decision will not be reached simply because of the July election results.

One area in which faster action cannot be expected is in implementing the recommendations of the Maekawa commission to restructure the domestic economy. The election results do give more substance to the prime minister's endorsement of the report earlier this year and offer him some leverage over its opponents. However, the most important source of resistance to the recommendations has not come from opposition parties, but from big business, a key backer of the Liberal Democratic Party, which has expressed doubts about the kinds of policies that would appear to be necessary to fulfill the aims of the Maekawa group. Furthermore, the reforms are so fundamental that the government will be very methodical about implementation. Immediate political priorities may be adjusted instead to reflect the primary goals of many business organizations -- tax and administrative reform -- to stimulate domestic economic growth. The chances of the anticipated Y3 trillion ($18.8 billion at Y160=$1.00) supplementary budget being approved, however, have been enhanced as a result of the elections.

The Election's Impact: Mr. Nakasone's Future

Rival faction leaders conceded that if the LDP secured 280 or more seats -- an optimistic target at the time -- there might be some justification for modifying party rules to allow a third term for Mr. Nakasone as president. Thus, the final results put the incumbent in a position to claim continued leadership of the party. His case is simple and convincing: no party leader has ever produced such a victory at the polls in the LDP's 30-year history (although it has drawn higher percentages of voters in the past). Potential successors have to deal with an unpleasant reality: what has been good for the party as a whole has also been good for Mr. Nakasone.

Although insisting he will "abide by party rules," most observers feel that Mr. Nakasone will seek a third term as party president. Once an uphill

struggle, the chances are now at least 50-50. Already there is speculation that Mr. Nakasone will make a deal with Noboru Takeshita, leader of the party's largest faction, that will enable him to remain in office for at least one year while Mr. Takeshita secures his hold on the LDP and his own faction as party secretary general. (Foreign Minister Shintaro Abe reportedly seeks a party post as well for the same reason.) That scenario appears credible. In any event, it is clear that a Nakasone-Takeshita coalition has been developing over the past several months in recognition of the fact that without mutual support, neither will be able to achieve his personal ambitions.

Mr. Nakasone faces two problems. First, despite the impressive party-wide performance in the elections and the fact that his personal faction made sizable gains as a result, the Nakasone faction remains at best -- depending on who's counting -- the third largest in the party. His leverage has been increased because of the party's victory, but his weight within the party still remains limited by the relatively small size of his faction. Second, even with the support of the Takeshita faction, which appears to consist primarily of the former Tanaka faction plus new additions, at least one other faction's votes will be required to change party rules at the fall convention to produce a two-thirds majority. The best candidate at this point seems to be the Suzuki faction, which has supported the Nakasone government in return for key cabinet and party positions. The incentives for cooperation remain strong because the faction's own candidate for the presidency -- LDP executive council chairman Kiichi Miyazawa -- is said to have damaged his credibility by objecting to the double elections until the final moments.

Assuming a Nakasone-Takeshita-Suzuki alliance, any number of possibilities exist for the fall, including the elimination of restrictions on the number of terms for the party president, a one- or two-year extension for Mr. Nakasone, or even electing Mr. Takeshita party president while retaining Mr. Nakasone as prime minister. In any event, major factions will jockey for position in the weeks to come to strengthen their positions and resolve the issues before they threaten to damage the gains won in the elections.

Several loose ends must also be resolved in this bargaining. The first are the roles of senior LDP officials, including Shin Kanemaru, the present secretary general, and party vice president Susumu Nikaido. It is highly possible that Mr. Nikaido -- once Mr. Tanaka's political right arm -- will be phased out of power. His personal ambitions at times have appeared to exceed his functional role as an honest broker -- an essential element in inter-factional negotiations. As for Mr. Kanemaru, many of his moves have ruffled a few feathers in the party. He decided, for instance, to limit the number of party endorsements in the election even though it came at the expense of a particular faction. But he has been a principal in decisions that proved beneficial to the party as a whole.

If the prime minister remains in power, it is likely that he will continue his general policy theme of "settling the postwar accounts." This could only prove controversial if the election results embolden him to abandon his previous restraint. Educational reform will remain a top priority, although the heated debate often resurrects visions of the war years and could involve an element of risk. It cannot be denied, however, that the prime minister has a certain amount of leeway in future policies.

Relations with the United States

Although officially the Reagan administration might insist that it is not appropriate for a foreign government to side with a candidate of another country, the election results were encouraging to the United States if only because they mean four years of relative political stability in Japan, thus simplifying the conduct of bilateral relations. This is especially true if Mr. Nakasone remains in office. The continuation of a unique personal relationship between the leaders of both countries has contributed to remarkably stable relations despite an abundance of highly contentious issues.

One theme in the American press coverage of the Japanese elections suggests that the results will somehow eliminate much of the domestic political tension that has been cited in both countries as a reason for treading lightly in certain sectoral negotiations. In other words, the United States will find it easier to achieve its goals in trade talks with Japan since Mr. Nakasone will be able to impose whatever results he desires in trade and other matters.

This assumption, however, amounts to a fundamental misunderstanding of Japanese factional politics and negotiating procedures. True, U.S. government officials and members of Congress seeking various trade objectives will no longer demonstrate any sympathy for Japanese officials pleading domestic political pressures to justify their inability to reach a compromise. Nevertheless, those pressures remain. The oppositionists have been only minor impediments in trade talks with the United States. The real problems have come from LDP legislators, and the LDP now has more representatives who will be forced to heed constituent interests if they are to remain in power. For example, the bilateral beef and citrus agreement is scheduled to expire in March 1988 and new negotiations are certain. In this case, the potential for the issue becoming even more contentious than the heated 1984 round is great, since almost two-thirds of the LDP Diet members elected in July represent rural or semi-agrarian districts. While all these representatives do not come from beef or citrus producing areas, they can be expected to be sympathetic to appeals from other agricultural groups to form coalitions to prevent sacrificing their interests to overseas pressure.

Furthermore, the Nakasone faction remains only one of several groups in the political process. It is true that the election results have given the prime minister increased political leverage, but that leverage could dissipate quickly, particularly if he is unable to translate it into a third term as LDP president. In any case, the interests of all major factions must be satisfied if any individual is to remain in power. If Mr. Nakasone can convince other groups that, for instance, increased market access is in Japan's best economic and political interests, then the two countries can look forward to stable economic relations, even as the United States enters its own political rituals. If he fails in that task -- and it will be difficult -- then frictions can be anticipated. (Japanese government negotiators would add that the approach to any bilateral dispute is determined on its merits, not on who is in power, and that Japan also remains committed to free trade as demonstrated by its market liberalizaton track record.)

U.S. politicians would be well advised, then, to avoid the assumption that because of the favorable election results, Mr. Nakasone can be counted on

to "produce" at Washington's request. A related concern in Japan may be that the administration will look to Japan for support in the upcoming elections, on the grounds that it assisted the LDP by toning down trade disputes during a critical period.

Prospects

The dramatic LDP victory should result in four years of continued political stability in Japan. No politician would dissolve the lower house during the next four years when the LDP holds the greatest number of seats in its history. This should facilitate the development and implementation of economic and foreign policies in Japan and simplify its conduct of relations with other countries. A big question mark is the status of the prime minister. The course toward stability and what Japan's allies perceive as political dynamism would be more likely to continue under a Nakasone government.

Four more years will provide the ruling party with the continued opportunity to solidify its power over the government by grafting party policy-making organizations onto ministries and agencies. This trend has resulted in significant increases in the party's influence over the bureaucracy. In addition, it enables the party to maintain the elements of domestic politics that assure future success: patronage, leadership and financial strength.

The overwhelming victory, however, raises other questions. The opposition parties were in some respects bigger losers than the LDP was a winner. Although the oppositionists in total drew more votes than the LDP, no single party was able to muster sufficient votes to suggest that it has a viable, long-term future on its own or even as a coalition partner. Any number of factors could result in the next four years in increased voter support for the opposition, but its level of political importance now is so weak that the struggle toward credibility will be long and hard.

In the short term the leading opposition parties must resolve internal disputes before they can face the voters again, and the July balloting complicates this task. For example, the JSP's defeat may encourage more doctrinaire members to reassert their philosophy. (At this writing, the JSP was still pondering the fate of party chairman Masashi Ishibashi, who submitted his resignation because of his responsibility for the party's loss of 20-plus seats.) Such a development is not likely to enhance the JSP's long-term leadership potential, and many observers of the political scene in Japan would argue that the country lacks a truly viable political system until it develops a legitimate and credible opposition party.

On a smaller but still significant scale, this dilemma also faces the Democratic Socialist Party, a more moderate element in Japanese politics that has played an important role in such areas as formulating the country's defense policies. The overwhelming LDP victory might reduce the input of the party and force it to reassess its presence on the political scene. Potential identity crises face Komeito (the Clean Government Party) and the lackluster Japan Communist Party as well.

For the time being, however, there is nothing to suggest that the LDP will slip from its dominant position in the coming fours years, unless massive complacency or intra-party strife set in. The full dimensions of the victory

will not be felt until the succession issue is resolved in the coming weeks, but for now, everything is copacetic at LDP headquarters.

For further information, contact Michael W. Chinworth.

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The views expressed in this report are those of the author and do not necessarily reflect those of the Japan Economic Institute.

Japanese Lower House Elections, 1972-86

Number of Seats[1]

	1972	1976	1979	1980	1983	1986
LDP	271	249	248	284	250	300
JSP	118	123	107	107	112	85
Komeito	29	55	57	33	58	56
DSP	19	29	35	32	38	26
NLC	--	17	4	12	8	6
JCP	38	17	39	29	26	26
Shaminren	--	--	2	3	3	4
Independents/ Others	16	21	19	11	16	9
Total	491	511	511	511	511	512

Percentage of Seats[1]

	1972	1976	1979	1980	1983	1986
LDP	55.2%	48.7%	48.5%	56.0%	48.9%	58.6%
JSP	24.0	24.0	20.9	20.9	21.9	16.6
Komeito	5.9	10.8	11.2	6.5	11.4	10.9
DSP	3.9	5.7	6.8	6.3	7.4	5.1
NLC		3.3	0.8	2.3	1.6	1.2
JCP	7.7	3.3	7.6	5.7	5.1	5.1
Shaminren			0.4	0.6	0.6	0.8
Independents/ Others	3.3	4.1	3.7	2.2	3.1	1.8
Total*	100.0	100.0	100.0	100.0	100.0	100.0

[1]Final election results. Does not indicate number or percentage of party seats held in lower house following entry of independents or formation of coalition groups after elections.

*Totals do not add to 100 percent due to rounding.

Percentage of Votes Won

	1972	1976	1979	1980	1983	1986
LDP	46.9%	41.8%	44.6%	47.9%	45.8%	49.5%
JSP	21.9	20.7	19.7	19.3	19.5	17.2
Komeito	8.5	10.9	9.8	9.0	10.1	9.4
DSP	7.0	6.3	6.8	6.6	7.3	6.5
NLC	--	4.2	3.0	3.0	2.4	2.4
JCP	10.5	10.4	10.4	9.8	9.3	8.8
Shaminren	--	--	0.7	0.7	0.7	0.8
Independents/ Others	5.4	5.8	5.0	3.7	5.0	6.0
Total*	100.0	100.0	100.0	100.0	100.0	100.0
Voter Turnout	71.8	73.5	68.0	74.6	67.9	71.4

*Totals do not add to 100 percent due to rounding.

Major Liberal Democratic Party Factions

(as of July 10, 1986)

	Pre-election Total	Post-election Total	Change
Tanaka/Takeshita	120	141	21
Nakasone	57	83	26
Suzuki/Miyazawa	80	88	8
Fukuda/Abe	71	83	12
Komoto	34	34	0